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General Motors  
of Canada  
Limited

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1984 IN REVIEW

LOOKING AT THE FUTURE, NOW.....

**COVER – This rear view of a Pontiac 6000 on the Oshawa assembly plant line shows a robot spot-welding the roof in the Robogate system. Two robots come down on the body from overhead and six robots cycle in from the side. Skilled trades technicians constantly monitor the vast amount of automated equipment.**



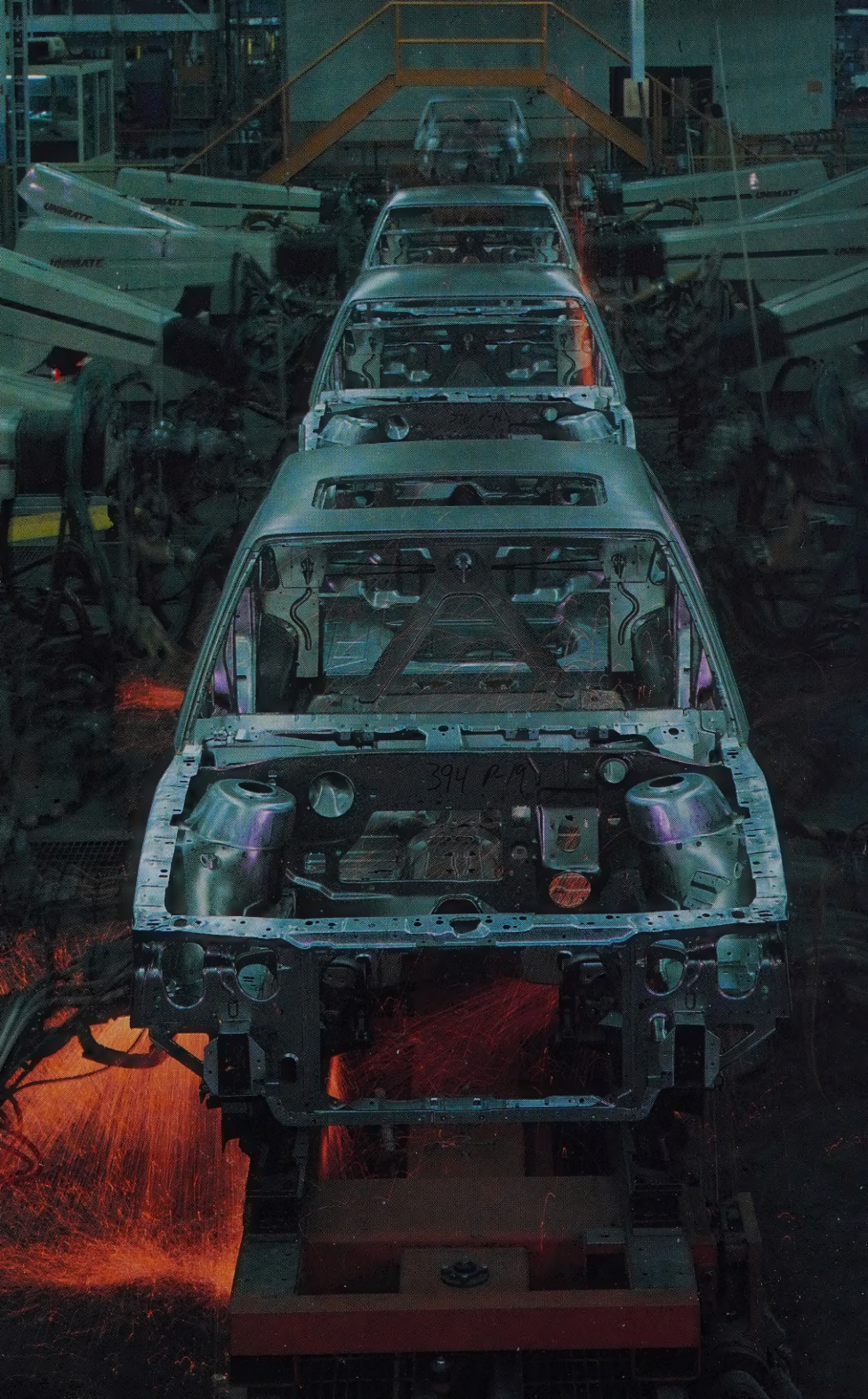
# Summary

(Millions of dollars)	1984	1983	1982	1981	1980
Net sales	16,297.7	13,805.4	9,570.5	10,416.1	9,451.3
Net income (loss)	880.8	675.6	(71.7)	(10.3)	55.0
Net income (loss) — percent of sales	5.4%	4.9%	(0.7%)	(0.1%)	0.6%
Income taxes (recoverable)	639.2	442.9	(61.4)	(34.9)	14.4
Other taxes	93.0	104.6	78.5	63.2	82.1
Expenditures for plant and equipment	184.8	155.0	201.6	748.4	469.5
Expenditures for special tools	82.7	187.1	122.6	316.2	290.6
Payrolls	1,457.8	1,269.8	1,006.6	1,097.2	950.3
On-roll employment	45,391	43,410	36,503	43,076	42,598
Working capital (Deficiency)	581.7	326.0	(727.2)	122.8	458.9

# Unit Sales

	1984	1983	1982	1981	1980
<b>Manufactured in Canada</b>					
Passenger Cars	548,895	538,700	334,575	432,174	474,723
Trucks and Coaches	276,704	263,079	230,129	245,111	225,074
Total Factory Sales	825,599	801,779	564,704	677,285	699,797
Imported Vehicles	326,200	288,174	187,351	266,766	303,131
Total Unit Sales	1,151,799	1,089,953	752,055	944,051	1,002,928
<b>Unit Sales by Area</b>					
Canada	477,084	431,342	278,758	474,941	554,343
United States	653,494	640,005	456,167	404,326	421,522
Other Countries	21,221	18,606	17,130	64,784	27,063

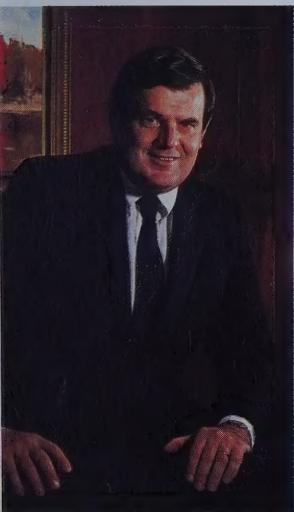
Unit Sales have been adjusted to exclude completely knocked down (CKD) units sold to consolidated affiliates. These are now classified as component sales.





# 1984 in Review

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J.F. Smith Jr.  
President and General Manager

***Car bodies, three at a time, are cycled through the Cantrac system where 36 Unimate robots have the capacity to weld 90 units per hour. Robotic and automatic spotwelding account for approximately 70 percent of all spotwelding performed in this most automated welding system in Canada.***

In many areas, 1984 represented a record breaking year for General Motors of Canada.

Net sales of \$16.3 billion were \$2.5 billion higher than the previous record of \$13.8 billion set in 1983. Net income of \$880.8 million also exceeded the previous record high of \$675.6 million, set in 1983, by \$205.2 million. The earnings, while high by historic standards, must be viewed in conjunction with the major capital spending program of over \$1.2 billion announced in 1984.

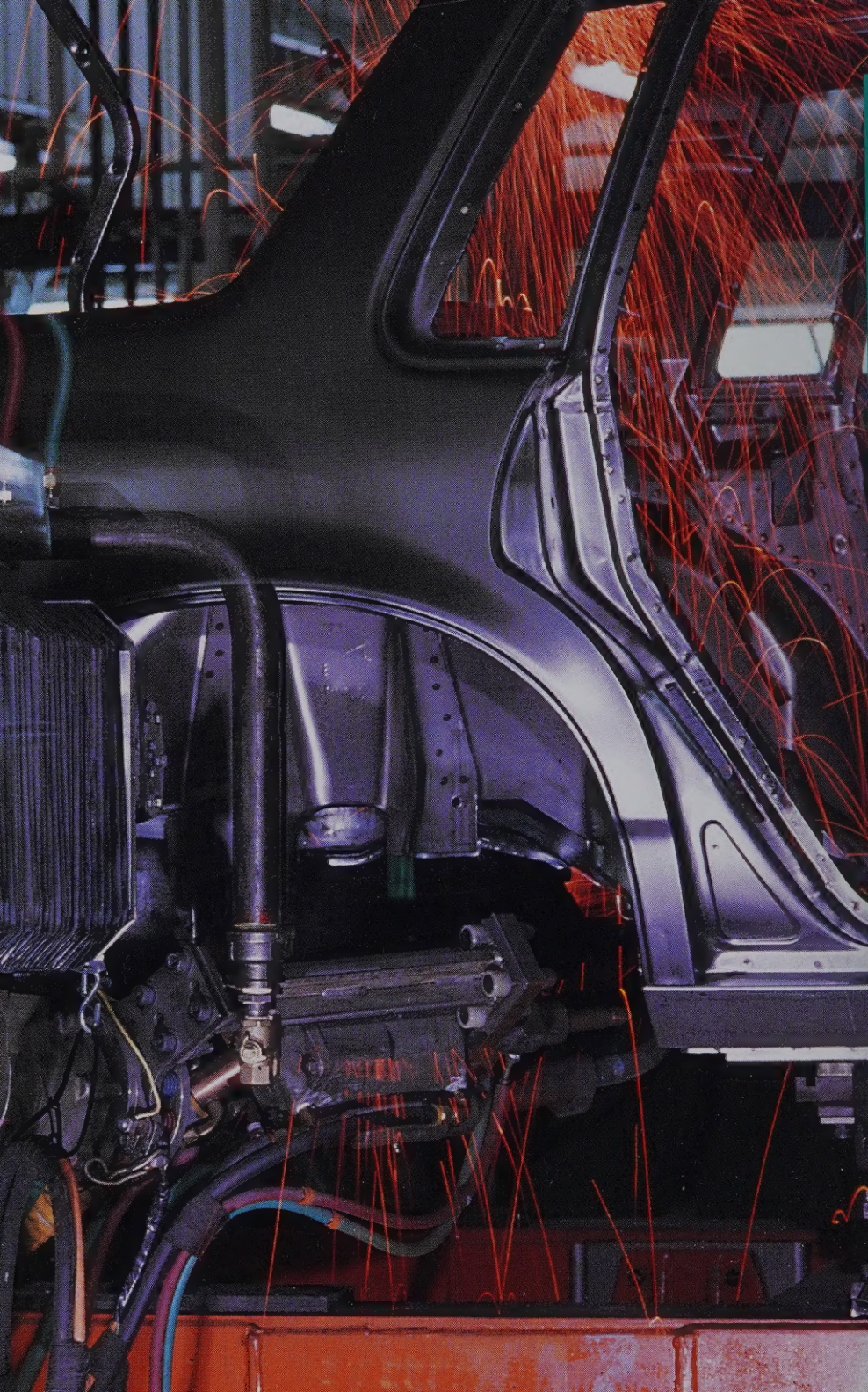
Production and unit sales records were also established in 1984. Despite the almost two week strike in October and the start of a changeover to front-wheel-drive cars at the Oshawa #1 Assembly Plant in mid-November, factory sales of 826,000 units exceeded the previous 1979 record of 786,000 units. Total unit sales, including imports, of 1,152,000 units, also exceeded the previous record of 1,090,000 units, again recorded in 1979.

In 1984, employment and payrolls were at all-time highs. Over 6,000 new employees joined General Motors of Canada during the year, including well over 3,000 students hired as vacation replacements. On-roll employment at December 31, 1984 was 45,400 persons, an increase of almost 2,000 persons from the previous high of just over 43,400 persons at December 31, 1983. Total payrolls for the year were close to \$1.5 billion, up almost 15% from \$1.3 billion in 1983.

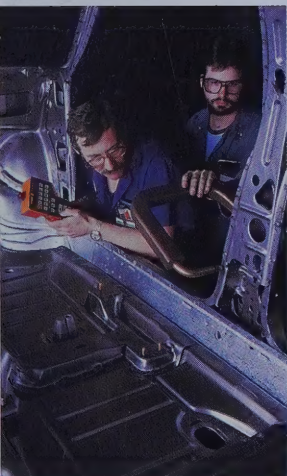
The year 1984 marked the second consecutive year of recovery in Canada, featuring accelerating real growth in gross national product, up almost 5% versus only 3.3% in 1983. Inflation dropped to its lowest level in thirteen years, averaging 4.4% in 1984, down from 5.8% in 1983. Overall employment was higher despite the persistently high rate of unemployment throughout the year, with seasonally adjusted total employment rising to 11.1 million in December up from 10.9 million a year ago.

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***This closeup view of a robotic welder, capable of delivering 10,000 amps. of electricity, shows it positioning itself while another robot welds the roof, showering the area with sparks.***

***Skilled trades technicians program a robot utilizing a hand-held controller.***

***A robot in the Cantrac system welds a front fender support.***

The automotive industry remained in the forefront of the recovery. Industry retail sales of passenger cars and trucks during 1984 led an upward trend of the economy, rising to 1,282,500 units, an increase of 202,800 units or 19% over 1983. Passenger car sales of 965,100 units, representing the best unit volume since 1979, were 123,600 units or 15% higher than in 1983. Truck sales increased to 317,400 units in 1984, up by 79,200 units or 33% from 1983.

Retail deliveries of passenger cars and trucks during 1984 by General Motors dealers in Canada of 477,400 units were 64,000 units or 16% above the level of a year ago. Year-over-year gains and market penetration both were tempered somewhat by product shortages following strikes in the U.S. and Canada in the latter part of 1984. Market penetration for passenger cars in 1984 was 38%, similar to 1983, but penetration for trucks dropped to 36% in 1984 from 38% in the previous year.

A number of outstanding new products were introduced during 1984 beginning with the all new, full-size, front-wheel-drive, luxury cars — Cadillac DeVille and Fleetwood, Oldsmobile Ninety-Eight and Buick Electra in April. Following in September were three brand new front-wheel-drive personal coupes, the Oldsmobile Calais, the Pontiac Grand Am and the Buick Somerset Regal, aimed directly at the rapidly growing upscale contemporary market.

The Chevrolet Sprint and Pontiac Firefly, two smaller coupes, imported from GM's Japanese affiliate, Suzuki, were introduced in September in the west coast markets but sales were limited by import quotas.

The much awaited arrival of the all new mid-size vans, the Chevrolet Astro and GMC Safari, in the latter part of the year, capped 1984 as one of General Motors of Canada's most prolific years in terms of new, high-technology product offerings. Two additional products, to be available initially as four door sedans, the Chevrolet Spectrum and the Pontiac Sunburst, will also be imported for sale in early 1985 from GM's Japanese affiliate, Isuzu.







**Assemblers connect numerous wires before installing the left instrument panel.**

**By utilizing a specially designed hoist, an assembler single-handedly inserts and positions the front seat assembly through the passenger side door.**

**Through ergonomics engineering, General Motors has been able to design conveyor systems which raise or lower vehicles to the optimum assembly height.**



In non-automotive operations, GM of Canada's Diesel Division in London, Ontario, increased sales significantly in 1984, primarily due to increased export sales of locomotives and the sale of Light Armoured Vehicles to the United States Marine Corps. Locomotive deliveries in 1984 included units for Egypt, British Columbia Railway, Ontario Northland Railway, The National Harbours Board and the Canadian Pacific Railway. Coach activity was relatively flat in 1984 but included deliveries to Anchorage, Salt Lake City, Ottawa, Montreal, Quebec City and Regina.

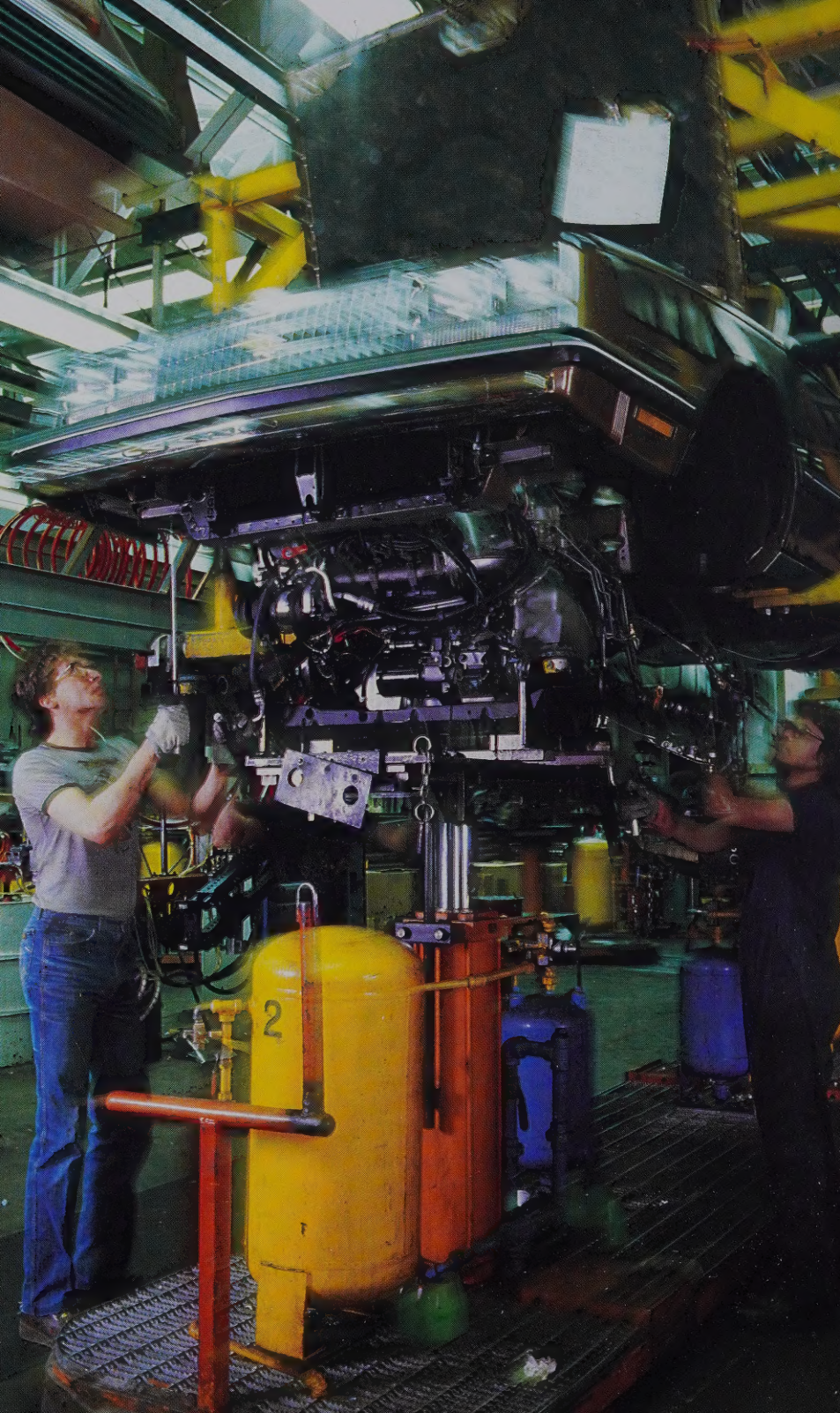
The major capital expenditures exceeding \$1.2 billion, announced in 1984, will play a significant role in keeping GM of Canada in the forefront of quality and productivity. Planned expenditures include the modernization of stamping plant facilities in Oshawa, incorporating leading-edge technology; a major modernization and expansion of the Oshawa truck plant; enhancements to our V6 engine and transmission components facilities in St. Catharines, Ontario and a new western Parts Distribution Centre in Edmonton, Alberta.

The major portion of the cash and investment balances reflected in our 1984 balance sheet, are not available to fund these investments but were required to meet tax payments in February. Additional cash must be generated to fund ongoing major capital programs.

Over the past five years, GM of Canada's net income has totalled about \$1.5 billion compared to announced capital expenditures for plant, equipment and tools of almost \$4 billion. Looking forward to the next five years, significant strains will be placed on our resources to generate the capital necessary for both capital investment and employee retraining programs.

After a strike lasting almost two weeks, GM of Canada and the UAW signed a new three-year contract to run through September 14, 1987. The agreement provides for increased wages and employee benefits, and a new income security









**Assemblers ease an engine assembly into a vehicle from the underside utilizing a mobile hoist which synchronizes its movement with the overhead conveyor system.**

**This view through the passenger window of a unit shows an assembler installing an outside mirror remote control cable.**

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program designed to provide added protection to employees placed on layoff.

GM of Canada has also introduced a number of significant adjustments and improvements in the total compensation program for salaried employees. The revisions were made taking into account the compensation levels of other leading companies in Canada, and our commitment to a comprehensive compensation package.

A development which will present significant opportunities for GM's salaried workforce was the formation of E.D.S. (Electronic Data Systems) of Canada Ltd. as a subsidiary of EDS, Dallas, which in turn is a subsidiary of General Motors Corporation. On March 1, 1985 approximately 550 former GM of Canada employees were transferred to the newly formed company. The new company is in the forefront of the advancing world of technology and will compete in the computer services and telecommunications field in Canada.

GM of Canada is strengthening its approach to training in clear pursuit of sustained worldwide competitiveness in levels of quality and customer satisfaction. Training is recognized as a continuing process and an essential element of employee development activities. For 1985 and beyond, organizational and individual needs will require unprecedented efforts on GM of Canada's part to provide appropriate training plans and funding.

Several enhancements in dealer and customer services were made in 1984. Others are planned for 1985.

All GM of Canada's dealers are now part of an "800" line technical assistance program providing instant up-to-date technical advice in the servicing of General Motors vehicles. During 1985, the first phase of an "800" line customer inquiry system will be implemented. This system is designed to give customers one number to call anywhere in Canada and will promote an instant response to any inquiry.

To ensure customer concerns are viewed objectively at all times, General Motors of Canada

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- 1. 1985 Chevrolet Astro Van**
- 2. 1985 Oldsmobile Cutlass Ciera**
- 3. 1985 Pontiac Fiero GT**
- 4. 1985 Chevrolet Spectrum**
- 5. 1985 Oldsmobile Calais**
- 6. 1985 Chevrolet Sprint**

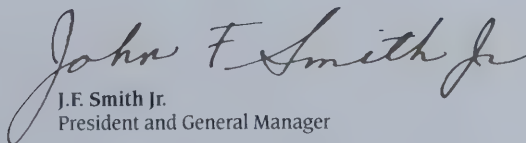
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has been a strong advocate of third party arbitration and has received support in this area from the Better Business Bureau over the past several years. In 1985, third party arbitration will continue to expand with the introduction in Ontario of a government supported system in which, for the first time, most automobile manufacturers and importers will be active in a third party system, in conjunction with the Better Business Bureau or similar independent organizations.

As well as encouraging employee training and development, General Motors of Canada contributes measurably to the quality of life in Canada through a country-wide program of donations, grants and sponsorships. These embrace education, health and welfare and a wide variety of cultural, civic and community activities.

The contributions the Company makes are not limited to financial support. No amount of money could be used to measure the voluntary contributions in time and effort by GM of Canada employees and retirees in a host of community and charitable undertakings, ranging from involvement in amateur sports to canvassing for major fund drives, to serving on boards of educational, charitable, cultural and civic organizations.

In conclusion, our record year is a measure of the accomplishments of each of our employees, our suppliers and our dealers. Each individual is a key link in the process of ensuring every purchaser of a General Motors product receives value and outstanding quality in return for their investment in our products. It is only through total customer satisfaction that we can maintain the loyalty of our customers and continue to provide a leadership role in the industry.

  
J.F. Smith Jr.  
President and General Manager

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# Statement of Income and Net Income Retained for use in the Business

For the Years Ended December 31, 1984 and 1983  
(thousands of dollars)

	1984	1983
<b>Net Sales</b>	<b>\$16,297,747</b>	<b>\$13,805,450</b>
<b>Costs and expenses</b>		
Cost of sales and other operating charges, exclusive of items listed below	14,279,454	12,061,001
Selling, general and administrative	225,744	211,382
Depreciation of plants and equipment	206,056	193,365
Amortization of special tools	146,182	185,673
<b>Total</b>	<b>14,857,436</b>	<b>12,651,421</b>
Operating income	1,440,311	1,154,029
Other income less income deductions — net	85,089	10,899
<b>Interest expenses</b>		
Interest on capital leases	3,721	1,717
Other interest	1,666	44,758
<b>Total</b>	<b>5,387</b>	<b>46,475</b>
Income before income taxes	1,520,013	1,118,453
Income taxes	639,249	442,883
Net income	880,764	675,570
Net income retained for use in the business at beginning of the year	1,405,806	730,236
<b>Total</b>	<b>2,286,570</b>	<b>1,405,806</b>
Dividends paid	600,013	—
Net income retained for use in the business at end of the year	\$ 1,686,557	\$ 1,405,806

# Balance Sheet

December 31, 1984 and 1983  
(thousands of dollars)

	1984	1983
<b>Assets</b>		
Cash and marketable securities	\$ 870,149	\$ 373
Accounts and notes receivable	343,932	409,444
Inventories	936,087	859,059
Prepaid expenses	36,588	13,271
Deferred income taxes	103,797	81,045
<b>Total Current Assets</b>	<b>2,290,553</b>	<b>1,363,192</b>
Property		
Real estate, plants and equipment	2,728,521	2,572,418
Less accumulated depreciation	1,221,972	1,035,871
Net real estate, plants and equipment	1,506,549	1,536,547
Special tools — less amortization	51,078	114,560
Other assets	14,651	13,339
<b>Total Assets</b>	<b>\$3,862,831</b>	<b>\$3,027,638</b>
<b>Liabilities and Stockholder's Equity</b>		
Cheques in transit	\$ 124,776	\$ 85,915
Accounts payable	369,899	353,192
Income and other taxes payable	729,111	173,837
Other accrued liabilities	485,053	424,216
<b>Total Current Liabilities</b>	<b>1,708,839</b>	<b>1,037,160</b>
Deferred income taxes	238,786	368,629
Other liabilities	155,112	142,506
Stockholder's equity		
Share capital without par value	70,325	70,325
Contributed surplus	3,212	3,212
Net income retained for use in the business	1,686,557	1,405,806
<b>Total Stockholder's Equity</b>	<b>1,760,094</b>	<b>1,479,343</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$3,862,831</b>	<b>\$3,027,638</b>



# Statement of Changes in Financial Position

For the Years Ended December 31, 1984 and 1983  
(thousands of dollars)

	1984	1983
<b>Source of Funds</b>		
Net income	\$ 880,764	\$ 675,570
Depreciation of plants and equipment	206,056	193,365
Amortization of special tools	146,182	185,673
Deferred income taxes	(129,843)	368,629
Loss on disposal of plants and equipment	6,127	—
Total funds provided from operations	1,109,286	1,423,237
Proceeds from disposal of property	2,607	1,475
Decrease in other working capital items — net	614,094	—
Other — net	11,294	85,980
<b>Total</b>	<b>1,737,281</b>	<b>1,510,692</b>
<b>Use of Funds</b>		
Dividends paid	600,013	—
Expenditure for real estate, plants and equipment	184,792	154,997
Expenditure for special tools	82,700	187,073
Retirement of notes payable to parent company	—	115,343
Increase in other working capital items — net	—	1,064,263
<b>Total</b>	<b>867,505</b>	<b>1,521,676</b>
Increase (decrease) in cash and marketable securities	869,776	(10,984)
Cash and marketable securities at beginning of the year	373	11,357
Cash and marketable securities at end of the year	\$ 870,149	\$ 373
<b>(Decrease) Increase in Other Working Capital Items by Element</b>		
Accounts and notes receivable	\$ (65,512)	\$ 173,207
Inventories	77,028	89,463
Prepaid expenses	23,317	(14,107)
Deferred income taxes	22,752	81,045
Cheques in transit	(38,861)	(26,229)
Accounts payable	(16,707)	903,328
Income and other taxes payable	(555,274)	(149,175)
Other accrued liabilities	(60,837)	6,731
<b>(Decrease) Increase in Other Working Capital Items — Net</b>	<b>\$ (614,094)</b>	<b>\$1,064,263</b>

# Schedule of Income Adjusted for Changing Prices

For the Year Ended December 31, 1984  
(millions of dollars)

Inflation has a substantial effect on financial data. The accompanying tabulation shows basic historical cost data, as compared with two generally accepted methods of reflecting the impact of inflation — adjusted for general inflation (constant dollar) and adjusted for changes in specific prices (current cost).

In both of these methods, cost of goods sold and depreciation and amortization expense are adjusted upward since the historical amounts include costs incurred in years prior to 1984. However, sales dollars and other operating expenses are not adjusted since these dollars all occurred in the same year, 1984. The effect of inflation adjustments is to reduce income below the level indicated by historical cost.

As these data indicate, there is a critical need for national monetary and fiscal policies designed to control inflation and to provide adequate capital for future business growth which, in turn, will mean increased productivity and employment.

	As Reported in the Financial Statements (Historical Cost)	Adjusted for General Inflation (1984 Constant Dollar) (A)	Adjusted for Changes in Specific Prices (1984 Current Cost) (B)
Net Sales	\$16,297.7	\$16,297.7	\$16,297.7
Cost of sales	14,279.5	14,318.8	14,310.7
Depreciation and amortization expense	352.2	414.5	393.5
Other operating and non-operating expenses — net	146.0	146.0	146.0
Provision for income taxes	639.2	639.2	639.2
Total costs and expenses	15,416.9	15,518.5	15,489.4
Net income	880.8	779.2	808.3
Net assets at year end	1,760.1	2,493.8	2,369.7
Net income — as a % of sales	5.4%	4.8%	5.0%
— as a % of stockholder's equity	50.0%	31.2%	34.1%

A. Adjusted to a constant 1984 dollar base using the Consumer Price Index issued by Statistics Canada.

B. At December 31, 1984, current cost of inventory was \$936.1 million and current cost of real estate, plants and equipment, net of accumulated depreciation, was \$2,115.2 million. The current cost of property owned and the related depreciation and amortization expense were calculated by applying (1) selected producer price indices to historical book values of machinery and equipment, and (2) the Marshall Valuation Service index to buildings, and the use of assessed values for land.



# Board of Directors

**J.F. Smith Jr.**  
President and General Manager

**R.M. Colcomb**  
Vice President and  
General Sales Manager

**F.E. Conlin**  
Former Director of Manufacturing

**F.R. Curd Jr.**  
Vice President and  
General Director of Personnel

**R.S. Duffy**  
Treasurer

**D.T. Frawley**  
Comptroller

**L.J. Krain**  
Vice President and  
Finance Manager

**J.C. Larmond**  
Vice President and General  
Manager — Diesel Division

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Vice President and  
General Counsel/Secretary

**L.E. Reuss**  
Vice President and  
Group Executive,  
General Motors Corporation

**E.H. Walker**  
Former President and  
General Manager

**A.G. Warner**  
Vice President and  
General Manufacturing Manager

**W.R. Waugh**  
President, Financial Executives  
Institute Canada and  
Former Vice President and  
Finance Manager, GM of Canada

**R.M. Wilson**  
Former Director of Purchasing

## General Motors of Canada Limited:

### Plants

**OSHAWA, Ont.**  
215 William St. E.  
L1G 1K7

**SCARBOROUGH, Ont.**  
1901 Eglinton Ave. E.  
M1L 2L8

**ST. CATHARINES, Ont.**  
570 Glendale Ave.  
L2R 7B3

**BOISBRIAND, P.Q.**  
Ste. Therese Plant  
2500 Grande Allée  
J7E 4K6

**WINDSOR, Ont.**  
1550 Kildaire Road  
N8Y 4S1

**WINDSOR, Ont.**  
1600 Lauzon Road  
N9A 6R9

### Diesel Division

**LONDON, Ont.**  
2021 Oxford St. E.  
M6A 4N5

**ST-EUSTACHE, P.Q.**  
1000 Boulevard Industriel  
J7R 4A5

### Truck Centres

**MONTREAL, P.Q.**  
5825 Côte de Liesse  
H4T 1C4

**TORONTO, Ont.**  
1650 The Queensway  
M8Z 1X1

### Zone Offices

**CALGARY, Alta.**  
4220 Blackfoot Trail  
T2P 2M7

**LONDON, Ont.**  
951 Pond Mills Road  
N6A 4P6

**MONCTON, N.B.**  
653 St. George St.  
E1C 8M2

**MONTREAL, P.Q.**  
5000 Route Trans-  
Canadienne  
Pointe-Claire, P.Q.  
H9R 4R2

**OTTAWA, Ont.**  
875 Belfast Road  
K1G 0Z4

**QUEBEC, P.Q.**  
979 Ave. De Bourgogne  
Ste-Foy, P.Q.  
G1W 2L4

**REGINA, Sask.**  
580 Park St.  
S4P 3E9

**TORONTO, Ont.**  
1200 Eglinton Ave. E.  
Don Mills, Ont.  
M3C 1J1

**VANCOUVER, B.C.**  
900 Terminal Ave. E.  
V6A 2N6

**WINNIPEG, Man.**  
1345 Redwood Ave.  
R2X 0Y9

### Parts Distribution Centres

**CALGARY, Alta.**  
4220 Blackfoot Trail  
T2P 2M7

**EDMONTON, Alta.**  
6320 99th St.  
T6E 4T7

**MONCTON, N.B.**  
653 St. George St.  
E1C 8M2

**MONTREAL, P.Q.**  
5000 Route Trans-  
Canadienne  
Pointe-Claire, P.Q.  
H9R 4R2

**REGINA, Sask.**  
580 Park St.  
S4P 3E9

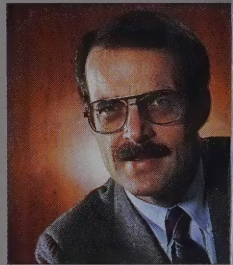
**VANCOUVER, B.C.**  
900 Terminal Ave. E.  
V6A 2N6

**WINNIPEG, Man.**  
1345 Redwood Ave.  
R2X 0Y9

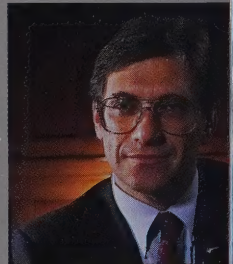
**WOODSTOCK, Ont.**  
1401 Parkinson Rd. E.  
N4S 8K8



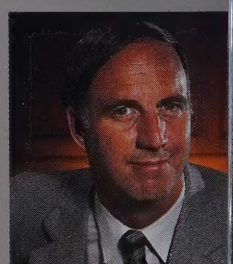
**R.M. Colcomb**  
Vice President and  
General Sales Manager



**F.R. Curd Jr.**  
Vice President and General Director  
of Personnel



**L.J. Krain**  
Vice President and Finance Manager



**R.W. McFarlane Q.C.**  
Vice President and General Counsel/Secretary



**A.G. Warner**  
Vice President and  
General Manufacturing Manager

Un exemplaire en français de cette rétrospective 1984 est disponible sur demande par écrit à: Service des relations publiques, General Motors du Canada Limitée, 215 rue William est, Oshawa, Ontario L1G 1K7.





**Seven all-electric locomotives, developed by Diesel Division for B.C. Rail, are operating in the British Columbia coal fields.**



**J.C. Larmond**  
Vice President and General Manager –  
Diesel Division



**Assembly of 758 eight-wheel drive, amphibious Light Armoured Vehicles for the U.S. Marine Corps is proceeding at Diesel Division.**





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